THE HON'BLE MR JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.4350 of 2007

Dated 23-03-2007

Between:
V.Raghunatha Reddy.

..... PETITIONER

AND

The District Cooperative Officer, Kadapa, Kadapa District & others.

.....RESPONDENTS

THE HON'BLE MR JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.4350 of 2007

ORDER:

The District Cooperative Marketing Society Limited, Kadapa, the third respondent herein, held an extent of Ac.1.85 cents of land in Sy.No.563(1) of Kadapa. It proposed to sell the same through public auction. Initially, the sale was scheduled to take place on 07-02-2007. The third respondent stipulated the upset price as Rs.2,03,50,000/-. There was no response for this notice. Thereafter, tenders and bids were invited fixing the date as 24-02-2007. This time the upset price was stipulated at Rs.1,00,000/- per cent. The petitioner and another person by name D.Chandrasekhar Reddy submitted the tenders. The petitioner submitted his tender for Rs.1,94,25,000/- for the entire extent. One Mr D.Chandrasekhar Reddy had submitted the tender for an identical amount. Since no other tenders were received, a bid confined to these persons was held. The petitioner stepped up his offer to Rs.1,94,40,000/-. 1/4th of the said amount was to be deposited on 26-02-2007 according to the schedule notified by the third respondent. When the petitioner attempted to deposit the said amount, the third respondent refused to receive the same. On coming to know that the auction is proposed to be conducted once again, the petitioner approached this Court.

Learned counsel for the petitioner submits that once the petitioner was emerged as a highest bidder and the amount offered by him was more than the upset price, there is absolutely no justification for the respondents in not accepting his offer.

On behalf of the respondents, a counter affidavit is filed stating that the petitioner and another tenderer had formed into a ring and

thereby, the satisfactory offer did not emerge. It is stated that on 07-03-2007, tenders were received once again with due publicity, fixing the upset price at Rs.2,40,00,000/- and out of several tenders, one for Rs.2,63,20,000/- was found to be the highest.

The petitioner, no doubt, emerged as the highest bidder in the auction held on 24-02-2007. However, the third respondent cannot be compelled to accept any tender. It is settled principle of law that even the highest tenderer does not have right to insist on acceptance of the same. Simply because the offer made by the petitioner was more than the upset price, no right would accrue to him for acceptance of his bid.

The paramount consideration in matters of this nature is to ensure that the property fetches the highest price. The effort made by the third respondent in this regard yielded results and almost a sum of Rs.70,00,000/- more than the petitioner's offer was procured.

Though the petitioner did not participate in the tenders and bids on 07-03-2007, this Court verified from him as to whether he is willing to purchase the property at Rs.2,63,20,000/-. Had he agreed for this, the feasibility to conduct a bid as between the highest tenderer and the petitioner would have been considered. The petitioner expresses his inability to offer the said amount. This Court does not find any basis to interfere with the matter. The third respondent shall refund the EMD to the petitioner forthwith.

The writ petition is accordingly dismissed. No order as to costs.

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23-03-2007

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